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SUBJECT: MEETING BETWEEN AMBASSADOR SCOBEEY AND MINISTER OF HEALTH  
AND POPULATION HATEM EL GABALY

REF: CAIRO 413

1. (SBU) Summary: Ambassador Scobey paid an introductory call on Minister of Health and Population Hatem El Gabaly on June 29. Discussion centered on ongoing health sector reform, graduate level training for ministry staff in US and by U.S. universities in Egypt, pharmaceutical intellectual property rights, follow up on the National Population Conference, October visit by Secretary of Health and Human Services Leavitt, and avian influenza. Minister El Gabaly is a reformer and advocate of partnership with the US. He faces significant challenges in tackling Egypt's woefully inadequate and mismanaged health care system. The Ambassador was struck by El Gabaly's failure to recognize the link between education for girls and fertility rates, and to address this in the GOE's revived population program. USAID will look for opportunities to update his expertise in this area. EL Gabaly has invited Secretary Leavitt to Egypt in October when Egypt is hosting the International Conference on Avian and Pandemic Influenza; it is our understanding that Secretary Leavitt plans to make the trip. End Summary.

2. (U) Ambassador called on Minister of Health and Population Dr. Hatem El Gabaly on June 29, accompanied by USAID health officer. Appointed in the 2006 cabinet reshuffle, El Gabaly is engaged in a major effort to reform the health sector. He is an advocate of partnership with the United States and has on many public occasions recognized the superiority of graduate level education at US universities and the global example the U.S. sets with its strong work ethic.

#### HEALTH SECTOR REFORM

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3. (U) El Gabaly recognizes the need for continued GOE efforts to reform the health sector, despite extensive public criticism and negative media coverage. Given the high profile of education and health, he acknowledged that public resistance and criticism are posing a significant challenge, but that patience and continuing to provide accurate information about the reforms are key. The minister highlighted the need for social health insurance, given high out of pocket expenses for healthcare. El Gabaly estimated 10-12 million Egyptians are at risk of sinking into poverty should they experience a major medical condition. He said his ministry is making some progress; the Ministry of Finance is doing actuarial studies needed to underwrite the proposed social health insurance from general revenues.

#### MANAGEMENT DEFICIT

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4. (U) To address what he sees as a crippling lack of management capacity at his ministry, El Gabaly is proposing the creation of a "Leadership Academy." USAID is putting together a public-private partnership between the pharmaceutical industry (PhRMA) and Harvard University, which will provide the Egypt-based training. El Gabaly

is pleased with the progress of the seven ministry staffers now in the US in USAID-funded MBA programs, and said nine more will go this fall.

#### INTELLECTUAL PROPERTY RIGHTS

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¶15. (U) El Gabaly discussed the ongoing work on IPR issues. In response to a question on data exclusivity and length of registration process, he described procedural changes at the ministry. The minister said the 2006 ministerial decree governing this process had substantially reduced the timeline for product registration. He explained that many delays resulted from incomplete files and the new website will ensure transparency in the process. El Gabaly was surprised to hear that pharmaceutical companies are still concerned about unnecessary delays in the registration process, and said he had not heard any official complaints.

¶16. (SBU) COMMENT: El Gabaly's claim to be surprised by complaints about registration delays is disingenuous; he has personally acknowledged in the past that the ministry's new expedited approval process is not working as intended. However, it is possible that pharmaceutical companies' recent complaints have not percolated up through the Ministry's bureaucracy. We will follow up with El Gabaly to ensure he has the latest information on our continuing concerns about registration delays. End comment.

¶17. (U) With the start of production by multinationals for Egypt's generic market, El Gabaly expects that generics will take a larger market share. He said that national expenditures on generics are currently USD 2.1 billion, but the figure is expected to reach USD 5 billion by 2015. The projected increase, he said, should result from higher GOE health expenditures, more awareness of treatment

options, and an aging population with greater pharmaceutical requirements.

#### POPULATION PRESSURES

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¶18. (SBU) The Ambassador asked El Gabaly about President Mubarak's recent remarks at the June 9-10 National Population Conference, in which he called on Egyptians to have fewer children (See septel). El Gabaly noted that Egypt's family planning program has stagnated during the last five to seven years. Given the impact of a rapidly growing population on economic development, infrastructure, water use and land requirements, the GOE has decided to reinvigorate its campaign to promote healthy family size. According to the minister, the single most important factor for smaller families is addressing the issue of "male dominance," adding that "the mind set of the male must be addressed." He dismissed the impact of girls' education on fertility. Comment: We are concerned about El Gabaly's dated analysis of the impact of education for women on fertility rates. USAID will seek opportunities to update his expertise, and that of his ministry. End Comment.

#### AVIAN INFLUENZA AND THE IPAPI CONFERENCE

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¶19. (U) El Gabaly reviewed positive results of Egypt's program to combat avian influenza, and acknowledged U.S. contributions. In planning for the October International Conference on Avian and Pandemic Influenza, organized in collaboration with the International Partnership on Avian and Pandemic Influenza, to be held in Sharm el-Sheikh, El Gabaly is worried about "flu fatigue." To combat this, El Gabaly would like a big name speaker for the conference, citing, for example, Bill Gates as someone who might draw international attention to the continuing problem of avian influenza.

¶10. (SBU) Note: The minister raised the "flu fatigue" issue with Ambassador Lange on June 8, repeating his request for assistance with identification of a high profile speaker for the conference. El Gabaly also discussed the conference with Health and Human Services Secretary Leavitt at the World Health Assembly in May. At that time, El Gabaly invited Secretary Leavitt to visit Egypt. It is our understanding that Secretary Leavitt plans to attend the conference in October, followed by visits to avian influenza-related

sites.  
SCOBEY